(f) what steps Government have taken to which the functioning and supervision of such banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) In terms of the instructions issued by the Reserve Bank of India (RBI) in February, 1991 banks have been allowed to swap their stray or unremunerative branches with other banks. Further, while closing down the loss making branches in rural and semi-urban areas is not permitted, banks have been advised that RBI would consider sympathetically proposals for closing of loss making branches at urban/metropolitan centres which are generally well-banked.

(c) to (f) A Statement giving bank-wise/population group-wise information of loss making branches of public sector banks as on 31-3-92 (latest available) is given in the *Annexure*. [*See* Appendix CLXVIII Annexure No. 51]. The reasons generally adduced for branches of public sector banks becoming unviable are maintenance of excess cash balances, unfavourable deposits, higher levels of non-performing advances, higher establishment expenses vis-a-vis low business, high servicing cost owing to tiny deposit/loan accounts, etc., Banks are required to submit to RBI a review of loss making branches indicating the reasons for the loss as also the steps being taken to bring the concerned branches into profit, as at end of March each year, duly approved by their Board. The matter is also followed up by RBI with the concerned banks.

Different Terms for MOUs of Banks

3684. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item published in the Observer of 13th August, 1993 under the caption "Banks differ on terms for Memorandum of undertakings with Government"; and

(b) if so, what remedial measures Government propose to take in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes, Sir.

(b) Reserve Bank of India (RBI) have discussed with Chairman and Managing Directors of some of the nationalised banks as well as the Chairman, Indian Banks Association, the contents of the draft Memorandum of Undertakings (MOU). After incorporating their views a revised draft of MOU has been sent to the nationalised banks. RBI will be holding further discussions with the Chief Executives of the banks before signing MOUs with them.

Credit Deposit Ratio of Banks

3685. SHRI VITHALBHAI M. PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Credit Deposit Ratio of the scheduled commercial banks has been lower than national average in Gujarat;

(b) what is the Credit Deposit Ratio of different States in the country;

(c) what are the reasons for decrease in credit deposit ratio in Gujarat; and

(d) what steps Government will take to improve Credit Deposit Ratio in Gujarat?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) The Credit Deposit Ratio of Scheduled Commercial Banks in the State of Gujarat as on the last Friday of December 1992 (latest available) was 54.2% as against the All India figure of 58.6%.

(b) State-wise credit deposit ratio of all Scheduled Commercial Banks as on the last Friday of December 1992 is given in the enclosed Statement (*See below*).

(c) and (d) The problem of regional imbalances in the deployment of bank credit in various States is in the knowledge of

Government and Reserve Bank of India (RBI). The credit deployment in a particular area depends on various factors like economic activities, entrepreneurship, availability of raw materials and other infrastructural facilities, investment opportunities and also law and order situation in that area. However, RBI has advised the banks to ensure that wide regional disparities amongst various States in credit deployment is reduced and steps are taken to increase the flow of credit to all productive and identified viable proposals in different areas.

Statement

State-wise position of credit deposit Ratio (CDR) of Scheduled Commercial Banks as on the last Friday of December, 1992 (latest available)

State/Union Territory	Credit Deposit Ratio (%)
1	2
NORTHERN REGION	60.0
Haryana	55.6
Himachal Pradesh	31.6
Jamma & K ahsmir	44.3
Punjab	44.0
Rajasthan	53.6
Chandigarh	70.7
Delhi	76.0
NORTH EASTERN REGION	44.6
Arunachal Pradesh	15.5
Assam	49.0
Manipur	83.7
Meghalaya	17.0
Mizoram	23.5
Nagaland	43.1
Tripura	58.5
EASTERN REGION	50.4
Bihar	39.3
Orissa	69.4
Sikkim	28.7
West Bengal	53.1
Andaman & Nicobar	30.6
CENTRAL REGION	48.6
Madhya Pradesh	64.2
Uttar Pradesh.	42.7
WESTERN REGION	55.3
Goa	30.2
Gujarat	54.2

1	2
Maharashtra	56.4
Dadra & Nagar Haveli	33.3
Daman & Diu	17.5
SOUTHERN REGION	74.4
Andhra Pradesh	79.3
Karnataka	75.1
Kerala	48.6
Tamil Nadu	87.0
Lakshadweep	7.7
Pondicherry	44.3
ALL INDIA	58.6

Appointment of Executive Directors in Stock Exchanges

3686. SHRI N. E. BALARAM: Will the Minister of FINANCE be pleased to state:

(a) the names of the recognised stock exchanges in the country and their respective dates of recognition by Government;

(b) whether Government have any proposal under its consideration to recognise new stock exchanges; if so, what are the details thereof and the likely places of such exchanges;

(c) which of the stock exchanges as in (a) above have Executive Directors at present alongwith the names of the respective Executive Directors and the dates of their appointment;

(d) whether Government have issued any guidelines on the qualifications, experience and remuneration of the Executive Directors to be still appointed by certain stock exchanges; if so, what are the details thereof;

(e) what is the selection procedure for the said Executive Directors and whether any Central Government nominee(s) also participate in this selection; and

(f) whether a Stock Exchange member who has served as President of his own Exchange can be appointed Executive Director of the same Exchange, if so, what are the reasons of such justification?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) A statement is enclosed in Statement I [*See below*].

(b) The Government have recently granted recognition to the National Stock Exchange of India Limited, Bombay, in April, 1993. Government does not at present propose to grant recognition to any other new stock exchange.

(c) Information is given at Statement II (*See below*).

(d) No, Sir.

(e) The Executive Director is selected by a Committee generally consisting of members of the Governing Board of the Exchange, including one or more Government nominees. Outside experts are also sometimes included in this Committee.

(f) Rules or Articles of Association of a Stock Exchange provide that a member, if appointed as an Executive Director, would have to resign from membership of the Exchange.